- 22. In December, 1984, the FCC approved Faith Center's petition for permission to assign its broadcast license to ACC pursuant to the minority distress sale policy. ACC commenced operations as the owner of WHCT-TV.
- 23. Contrary to the minority distress sale provisions, however, Ramirez did not control the operations of WHCT-TV.

 Astroline, its partners and later, along with the Roses, actively participated in the control of the business of ACC.

 Astroline's and the Roses' participation in the control of ACC's business was substantially the same as that of a general partner.
- 24. Specifically, the general and limited partners of Astroline and the Roses were actively involved in the day-to-day operations of ACC and had ultimate decision-making responsibility over partnership funds and partnership expenditures.
- 25. Astroline and the Roses, to protect their investment in ACC which exceeded \$20 million, retained tight control of

the ACC's finances in various ways, including, but not limited to, the following: (i) check documentation and requests were prepared in Connecticut by employees of ACC and mailed from the ACC's Connecticut office to Astroline's offices in Massachusetts; (ii) ACC's check requests were also prepared by Astroline employees; (iii) ACC's check requests were personally reviewed and approved by either Boling or Sostek; and (iv) ACC's checks were signed by Boling or Sostek.

26. The general and limited partners of Astroline and the Roses were involved in the daily operations and acted as general partners of ACC in various ways, including, but not limited to, the following: (i) they consulted with and directed Ramirez with respect to the daily operations including multiple daily calls between ACC's Connecticut office and Astroline's Massachusetts office and regular courier deliveries between ACC's Connecticut office and Astroline's Massachusetts office; (ii) they signed documents and contracts on behalf of ACC; (iii) they negotiated contracts on behalf of ACC; (iv) they directed the construction of ACC's transmitting tower in Avon, Connecticut; and (v) they directed attorneys for ACC in

connection with litigation strategies and directly paid various legal bills.

- 27. Moreover, the business and assets of Astroline were commingled with the business and assets of ACC in various ways, including, but not limited to, the following: (i) ACC's checks contained as ACC's address, the address of Astroline's Massachusetts offices; (ii) Astroline provided various accounting services to ACC, for which ACC was never charged; and (iii) Astroline exercised an option to purchase the ACC's transmitter site which option was purchased by and belonged to ACC and Astroline never reimbursed the ACC for the price of the option.
- 28. ACC's creditors transacted business with ACC with knowledge of Astroline's participation in the control of the ACC. ACC's creditors also reasonably believed, based upon Astroline's conduct, that Astroline was a general partner.
- 29. Pursuant to <u>Mass</u>. <u>Gen</u>. <u>L</u>. ch. 109 § 19(a), the aforementioned control exercised by Astroline and the Roses imposes unlimited liability upon Astroline and the Roses for the

debts and obligations of ACC, as if they were general partners.

- 30. Pursuant to 11 U.S.C. § 723, the defendant Astroline and defendants Sostek, Boling, Gibbs and Randall Gibbs, as general partners of Astroline, are liable for any deficiency of assets in ACC's estate necessary to pay the creditors.
- 31. There will be a deficiency of assets to pay the claims of the creditors of ACC in an amount in excess of \$39,000,000, subject to certain claims as to which the Trustee objects or will object to payment.
- 32. Astroline, Inc., as the successor in interest to Astroline's limited partnership interest in ACC, is also liable for the debts and obligations of ACC.
- 33. By virtue of the foregoing, and pursuant to 11 U.S.C. § 723, defendants Astroline, Astroline, Inc., Sostek, Boling, Gibbs, Randall Gibbs, Robert Rose and Martha Gibbs Rose are obligated to indemnify or provide adequate assurance of payment to the estate in an amount sufficient to cover any deficiency,

and to refrain from disposing of their assets pending determination of the deficiency.

COUNT TWO

- 34. Plaintiff repeats and realleges paragraphs one through twenty-two and thirty-one, as if fully set forth herein.
- 35. The so-called limited partner Astroline knowingly permitted its name to be used in the name of the limited partnership ACC. The creditors of ACC lacked actual knowledge that the limited partner Astroline was not a general partner.
- 36. Pursuant to Mass. Gen. L. ch. 109 § 19(d), Astroline's knowing and intentional use of its name in the name of ACC without actual knowledge by the creditors that Astroline was not a general partner, imposes unlimited liability upon Astroline for the debts and obligations of ACC as if Astroline were a general partner.
 - 37. Astroline, Inc., as the successor in interest to the

interest of Astroline in ACC, is also liable for the debts and obligations of ACC.

- 38. By virtue of the foregoing, Astroline, Astroline, Inc., Sostek, Boling, Gibbs and Randall Gibbs, are liable in the same manner as a general partner for any deficiency of assets to pay partnership creditors.
- 39. By virtue of the foregoing, and pursuant to 11 U.S.C. § 723, defendants Astroline, Astroline, Inc., Sostek, Boling, Gibbs and Randall Gibbs, are obligated to indemnify or provide adequate assurance of payment to the estate in an amount sufficient to cover any deficiency, and to refrain from disposing of their assets pending determination of the deficiency.

COUNT THREE

40. Plaintiff repeats and realleges paragraphs one through twenty-two and thirty-one of the Complaint as if fully set forth herein.

- 41. Pursuant to 11 U.S.C. § 723, defendants Ramirez, Hart and WHCT, as general partners of ACC, are liable for any deficiency of assets in ACC's estate necessary to pay the creditors.
- 42. By reason of the foregoing, and pursuant to 11 U.S.C. § 723, defendants Ramirez, Hart and WHCT are obligated to indemnify or provide assurance of payment to the estate in an amount sufficient to cover any such deficiency, and to refrain from disposing of their assets pending determination of the deficiency.

COUNT FOUR

- 43. Plaintiff repeats and realleges paragraphs one through twenty-two and paragraphs thirty-one and forty-one as if fully set forth herein.
- 44. As a corporate general partner of ACC, WHCT is responsible for the outstanding debts and obligations owed by ACC. The corporate entity WHCT, however, was and is a mere sham or facade which operated as the alter ego of its directors,

officers and shareholders Sostek, Boling, Richard Gibbs, Randall Gibbs, and the Estate of Gibbs, as well as of Astroline (the so-called limited partner of ACC which was itself a former shareholder of WHCT).

- 45. At all times relevant to this Complaint, WHCT (i) did not maintain any corporate books or records; (ii) did not hold shareholder or directors meetings; (iii) did not maintain any corporate bank accounts; (iv) released no financial statements; (v) did not maintain a separate office from Astroline or from Astroline Corporation; (vi) earned no income; (vii) incurred no debts; (viii) paid no dividends; (ix) had no employees other than its officers and directors; (x) had no assets other than its ownership interest in ACC; and (xi) was significantly undercapitalized.
- 46. From the date of WHCT's incorporation until on or about February 27, 1986, Astroline was the sole shareholder of WHCT. Upon information and belief, on or about February 27, 1986, Astroline transferred its WHCT shares, for nominal or no consideration, to Astroline's general or limited partners.

Three of these individuals, Sostek, Boling, and Richard H. Gibbs, were also officers and directors of WHCT.

- 47. The general and limited partners of Astroline remained as the sole shareholders of WHCT until on or about November 15, 1988 -- approximately two weeks after the petition in this bankruptcy case was filed -- at which time the shares were transferred, for nominal or no consideration, to Ramirez.
- 48. Nearly all of the funding for the operations of ACC came from Astroline. WHCT provided no funding for ACC.
- 49. The general partners of Astroline, and in particular Boling and Sostek, were consulted on matters of significance pertaining to the operations and strategic plans of ACC. These individuals, acting in their capacity as partners of Astroline and shareholders of WHCT, participated in the control of ACC's business, and had ultimate decision-making authority over and responsibility for ACC's partnership funds and expenditures.
- 50. The address listed in WHCT's incorporation documents is the principal office address for Astroline. No part of that

office was segregated for exclusive use by WHCT, and no signs were posted in any part of that office designating the office as the place of business for WHCT.

- 51. WHCT had no actual role in the management of ACC's affairs.
- 52. By virtue of the foregoing, and because WHCT is an assetless corporation, and therefore unable to fulfill its obligations to ACC's creditors, gross inequity, injustice and unfairness will result unless the corporate entity is disregarded and the individual defendants Astroline, Sostek, Boling, Richard Gibbs, Randall Gibbs and the Estate of Gibbs are held liable for the debts of WHCT owed to ACC's creditors. Those defendants have so dominated or disregarded the corporate form of WHCT that they must be considered to have transacted their own business, rather than that of the corporation.
- 53. By virtue of the foregoing, each of the defendants,
 Astroline, Sostek, Boling, Richard Gibbs, Randall Gibbs, and the
 Estate of Gibbs are, in reality, general partners of ACC, liable

for any deficiency of assets to pay partnership creditors pursuant to 11 U.S.C. § 723.

54. By virtue of the foregoing, and pursuant to 11 U.S.C. § 723, defendants Astroline, Sostek, Boling, Richard Gibbs, Randall Gibbs, and the Estate of Gibbs are obligated to indemnify or provide adequate assurance of payment to the estate in an amount sufficient to cover any such deficiency, and to refrain from disposing of their assets pending determination of the deficiency.

WHEREFORE, plaintiff respectfully prays that this Court:

- 1. Declare that defendants Astroline, Astroline, Inc.,
 Sostek, Boling, Richard Gibbs, Randall Gibbs, the
 Estate of Gibbs, Robert Rose and Martha Gibbs Rose are
 general partners of ACC and are jointly and severally
 liable under 11 U.S.C. § 723 for any deficiency of the
 assets of ACC to pay the creditors of ACC;
- 2. Order that defendants Astroline, Astroline, Inc., Sostek, Boling, Richard Gibbs, Randall Gibbs, the Estate of Gibbs, Robert Rose and Martha Gibbs Rose, immediately provide an indemnity or assurance of payment of any deficiency of the assets of ACC to pay the creditors of ACC;
- 3. Restrain defendants Astroline, Astroline, Inc.,
 Sostek, Boling, Richard Gibbs, Randall Gibbs, Estate
 of Gibbs, Robert Rose and Martha Gibbs Rose, from
 transferring, concealing or otherwise disposing of
 their assets pending determination of such deficiency;

- 4. Declare that Ramirez, WHCT and Hart, as general partners of ACC, are liable under § 11 U.S.C. § 723 for any deficiency of the assets of ACC to pay the creditors of ACC;
- 5. Order that defendants Ramirez, WHCT and Hart immediately provide an indemnity or assurance of payment of any deficiency of the assets of ACC to pay the creditors of ACC;
- 6. Restrain defendants Ramirez, WHCT and Hart from transferring, concealing or otherwise disposing of their assets pending determination of such deficiency;
- 7. Award plaintiff the costs and reasonable attorneys fees incurred in bringing this action; and
- 8. Award plaintiff such other and further relief as the Court deems just and appropriate.

PLAINTIFF,

MARTIN W. HOFFMAN, TRUSTEE

By_ John B. Nolan

Steven M. Greenspan Day, Berry & Howard

CityPlace

Hartford, CT 06103-3499

(203) 275-0100

His Attorneys

Attachment D

"Request to Enter Default"

(reflecting Grant of the Request by the Court)

filed July 15, 1993

with the U.S. Bankruptcy Court

for the District of Connecticut

in Case No. 88-21124 (RLK)

Astroline Communications Company Limited Partnership,

Debtor

UNITED STATES BANKRUPTCY COURT DISTRICT OF CONNECTICUT

In re:

CASE NO. 2-88-01124

ASTROLINE COMMUNICATIONS COMPANY LIMITED PARTNERSHIP,

CHAPTER 7

MARTIN W. HOFFMAN, Trustee

Plaintiff,

- against -

RICHARD P. RAMIREZ; WHCT MANAGEMENT, INC., THOMAS A. HART, : Adv. Proc. No. JR.; ASTROLINE COMPANY; ASTROLINE COMPANY, INC.; HERBERT A.: SOSTEK; FRED J. BOLING, JR.; RICHARD H. GIBBS; RANDALL L. GIBBS; CAROLYN H. GIBBS, RICHARD GOLDSTEIN, EDWARD A. SAXE AND ALAN TOBIN, AS CO-EXECUTORS OF : THE ESTATE OF JOEL A. GIBBS; ROBERT ROSE and MARTHA GIBBS ROSE,

93-2220 (RLK)

Defendants.

JULY 15, 1993

REQUEST TO ENTER DEFAULT

CLERK TO:

Defendants WHCT Management, Inc. and Thomas A. Hart, Jr. having failed to answer or otherwise file a responsive pleading in the above-captioned action, and the time for planding having

expired, you are requested to enter a default pursuant to Rule 7055(a) of the Federal Rules of Bankruptcy Procedure.

PLAINTIFF, MARTIN W. HOPFMAN, TRUSTEE

John B. Nolan, ct05583
Steven M. Greenspan, ct00380
Gary M. Becker, ct 11392
Day, Berry & Howard
CityPlace
Hartford, CT 06103-3499
(203) 275-0100
His Attorneys

Granted. July 19, 1993

Thomas H. Obra

UNITED STATES BANKRUPTCY COURT DISTRICT OF CONNECTICUT

∴In re:

CASE NO. 2-88-01124

ASTROLINE COMMUNICATIONS COMPANY : CHAPTER 7 LIMITED PARTNERSHIP.

MARTIN W. HOFFMAN, Trustee

Plaintiff,

- against -

RICHARD P. RAMIREZ; WHCT : MANAGEMENT, INC., THOMAS A. HART, : Adv. Proc. No. RICHARD P. RAMIREZ; WHCT JR.; ASTROLINE COMPANY; ASTROLINE COMPANY, INC.; HERBERT A.: SOSTEK; FRED J. BOLING, JR.; : RICHARD H. GIBBS; RANDALL L. GIBBS; CAROLYN H. GIBBS, RICHARD GOLDSTEIN, EDWARD A. SAXE : AND ALAN TOBIN, AS CO-EXECUTORS OF : THE ESTATE OF JOEL A. GIBBS; ROBERT ROSE and MARTHA GIBBS ROSE, :

93-2220 (RLK)

Defendants.

JULY 15, 1993

AFFIDAVIT IN SUPPORT OF APPLICATION FOR DEFAULT

STATE OF CONNECTICUT)

) ss.: Hartford July 15, 1993

COUNTY OF HARTFORD

The undersigned, being duly sworn, deposes and says:

Š.

- 1. I am over the age of eighteen years and believe in the obligations of an oath.
- 2. I commenced this adversary proceeding on behalf of the Plaintiff by filing a Complaint with the United States
 Bankruptcy Court. A Summons and Notice of Pretrial Conference was issued on June 11, 1993.
- 3. Service on defendants WHCT Management, Inc. and Thomas A. Hart, Jr. was made via certified mail, return receipt requested, on June 11, 1993.
- 5. More than thirty (30) days have elapsed since issuance of the summons and defendants WHCT Management, Inc. and Thomas A. Hart, Jr. have failed to answer or file any other responsive pleading.

Gary M. Becker

Subscribed and sworn to before me this Bay of July, 1993.

Notary Public
My commission expires: 2/28/96

CERTIFICATE OF SERVICE

I hereby certify that, on this 3rd day of November, 1993, I caused copies of the foregoing "Application for Review" to be placed in the U.S. mail, first class postage prepaid, or hand delivered (as indicated below), addressed to the following:

The Honorable James H. Quello, Chairman Federal Communications Commission 1919 M Street, N.W. - Room 802 Washington, D.C. 20554 (BY HAND)

The Honorable Andrew C. Barrett, Commissioner Federal Communications Commission 1919 M Street, N.W. - Room 844 Washington, D.C. 20554 (BY HAND)

The Honorable Ervin S. Duggan,
Commissioner
Federal Communications Commission
1919 M Street, N.W. - Room 832
Washington, D.C. 20554
(BY HAND)

Roy J. Stewart, Chief Mass Media Bureau Federal Communications Commission 1919 M Street, N.W. - Room 314 Washington, D.C. 20554 (BY HAND) Barbara A. Kreisman, Chief Video Services Division Mass Media Bureau Federal Communications Commission 1919 M Street, N.W. - Room 702 Washington, D.C. 20554 (BY HAND)

Clay Pendarvis, Chief
Television Branch, Video Services
Division
Mass Media Bureau
Federal Communications Commission
1919 M Street, N.W. - Room 700
Washington, D.C. 20554
(BY HAND)

Martin Hoffman, Esquire 50 Columbus Boulevard Hartford, Connecticut 06106 Trustee-in-Bankruptcy for Astroline Communications Company Limited Partnership

Eric S. Kravetz, Esquire
Brown, Nietert & Kaufman,
Chartered
1920 N Street, N.W.
Suite 660
Washington, D.C. 20036
Counsel for Two If By Sea
Broadcasting Corp.

/s/ Haby F. Cole
Harry F. Cole